



Ministry of
Municipal Affairs
and Housing

Annual Report 1982/1983

including the annual reports of
Ontario Housing Corporation
Ontario Land Corporation

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Office of the
Minister

Ministry of
Municipal Affairs
and Housing

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Toronto, Ontario
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THE HONOURABLE
JOHN B. AIRD, O.C., Q.C., L.L.D.
Lieutenant Governor of the Province of Ontario

MAY IT PLEASE YOUR HONOUR:

For the information of Your Honour and the
Legislative Assembly, I have the privilege
of presenting the Annual Reports of the Ministry
of Municipal Affairs and Housing and Ontario Land
Corporation for the fiscal year ending March 31,
1983 and the Annual Report of Ontario Housing
Corporation for the calendar year 1982.

Respectfully submitted

CLAUDE F. BENNETT
Minister



Office of the
Deputy Minister

Bureau du
Sous-ministre

Ministry of
Municipal Affairs
and Housing

Ministère des
Affaires municipales
et du Logement

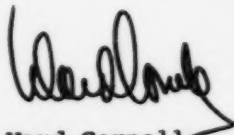
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THE HONOURABLE CLAUDE F. BENNETT
MINISTER OF MUNICIPAL AFFAIRS AND HOUSING

SIR:

I have the honour to submit for your approval
the 1982/83 Annual Report of the Ministry of
Municipal Affairs and Housing.

Respectfully submitted,


Ward Cornell
Deputy Minister



COMMUNITY HOUSING

The *Community Housing Wing*, formerly the community development wing, was reorganized and renamed in June, 1982.

The mandate of the *Community Housing Wing* is to help meet the needs of low and moderate income families, senior citizens and disabled persons through a variety of housing programs. It is also responsible for the development of housing policies and federal-provincial relations with respect to government-assisted housing.

Under the new organizational structure, the wing consists of four areas:

- Corporate planning section
- Housing renovation and energy conservation unit
- Housing programs division
- Technical services division.

Corporate planning section.

This section develops and co-ordinates managing by results abstracts, analyses and reviews financial planning activities and prepares corporate and strategic plans for the wing and Ontario Housing Corporation.

Housing renovation and energy conservation unit.

The major objective of the unit is to facilitate effective housing renewal and associated energy-conserving measures. Broadly, the activities of the unit fall into the following categories:

- Establishing liaison between the ministry and major client groups involved in housing renovation and energy conservation.
- Developing resources to aid the rehabilitation activities of municipalities and the private sector.

- Assembling, disseminating and updating information on trends and activities in the fields of renovation and energy conservation.

A major, joint study was completed for the ministry and the Association of Municipalities of Ontario on the opportunities for making better use of our existing housing stock and urban infrastructure. Emphasis was given to present impediments to housing conversion, infilling redevelopment and conservation and the potential supply and demand for housing which can be supplied by any of these initiatives.

In collaboration with industry and provincial and municipal government representatives the unit has coordinated the development of a residential rehabilitation code which will, after a series of informational seminars, become part of the Ontario Building Code (OBC). The purpose is to provide the flexibility to permit effective renovation measures in older residential buildings while retaining the health and safety standards of the OBC.

A comprehensive set of booklets and fact sheets aimed at providing homeowners with reliable and timely information on energy conservation has been completed and continues to be widely distributed. About 1 million copies of the original booklet in the series *First Seal Your House* have been distributed. In the rental housing sector an energy conservation handbook for property managers was prepared in collaboration with the Institute of Housing Management.

In collaboration with the city of Toronto a renovated house was opened to the public to demonstrate the wide range of energy conservation opportunities which renovation provides. Attendance at 'Howland House' is running ahead of a projected 12-13,000 visitors annually.

1982 Forum: The New Neighbourhood. A 3½-day international conference on

housing renewal and a wide range of related subjects. More than 1,000 delegates attended, representing industry, professional and government agencies.

HOUSING PROGRAMS DIVISION.

A highlight of the year under review was the formation of the housing programs division which has two components: the housing policy and program development branch, the new focus for policy development; and the housing field operations branch responsible for program delivery.

The new housing programs division absorbed staff from the former community housing division, which was engaged exclusively in program delivery activities, as well as from the ministry's policy and program development secretariat.

Housing field operations branch.

Under the municipal non-profit housing program, the province committed a total of 2,299 units: 1,810 for families, 469 for senior citizens and 20 "special purpose" units for handicapped persons. Demand for municipal non-profit projects exceeded the unit allocations by a considerable degree.

A total of \$2.2 million was disbursed to eight municipal non-profit housing corporations under the federal community services contribution program, while \$543,373 in provincial incentive loans and grants were distributed among 39 communities becoming involved in the non-profit housing program for the first time.

Agreements were signed for the use of 857 units in 45 municipalities under the rent supplement program during the year. Of these, 442 units were in projects which received Ontario rental construction loan program assistance. An additional 89 units were approved under the private assisted rental program. Another 14 family units were committed under the provincial assisted rental program. A total of 85 units was taken under the federal

Canada rental supply plan.

During 1982-83 an additional 466 units were committed under the Ontario community housing assistance program (OCHAP). Under this program, the province provided financial assistance to tenants in 25 non-profit and co-operative projects in 13 municipalities. The total OCHAP assistance for 1982-83 amounted to \$863,100.

The ministry's mortgage committee certified a total of 45 loans for 2,834 units. Following is a summary by program:

Program	Units			Amount (\$)
	Families	Seniors	SP*	
Private assisted				
Rental	44	45		2,834,868
Provincial assisted	14			752,855
Municipal non-profit	2095	616	20	163,264,827
	2153	661	20	166,852,550

*Special purpose

249 family units in 78 municipalities and 47 senior citizen units in two municipalities were also approved in municipalities with populations of less than 2,500, under the federal-provincial rural housing program.

Approximately \$4.6 million was made available to builders under the Ontario rental construction grant program. In total 12,571 rental units in 17 municipalities were provided with grants to help bridge the gap between market and economic rents. Another \$5.6 million was provided to non-profit groups through monthly rent reduction grants covering approximately 15,000 units in 173 municipalities. Of this, approximately \$2.4 million went to municipal non-profit projects. Furthermore, \$30,375 went to assist families under the provincial component of the federal-provincial AHOP/HOME program.

During the year, 237 Ontario municipalities received per capita grants totalling over \$9.9 million under the Ontario home renewal program. Since OHRP was started in 1974, 714 municipalities have taken part in the program.

Homeowners in unorganized communities received 47 loans total-

ling \$231,270 during the year. Since the program's inception, more than \$5.2 million in loans have been approved for the 1,202 applicants from unorganized communities.

Housing policy & program development branch. The branch formulates policy options for senior staff and the minister concerning rental and ownership housing, in the public and private sectors.

Appropriate program responses, including operating policies and procedures, are then developed. The

users for these are both internal, e.g. the housing field operations branch, and external, e.g. municipal non-profit housing corporations.

During the year, the branch contributed to the analyses and evaluation of various proposals to stabilize the mortgage rate, such as indexed term deposits and indexed term loans and mortgage renewal insurance. It also participated in the development of the renter-buy program and the work of the task force on aging in Ontario. The branch examined current and future special needs of social housing tenants.

Operating policies and procedures involving the rural housing program, municipal non-profit, Ontario community housing assistance and rent supplement programs were amended during the year.

TECHNICAL SERVICES DIVISION

The technical services division provides professional appraisal, architectural, landscape architectural and engineering design and construction inspection services for all the ministry's housing programs. In addition, the research and develop-

ment section carries out projects for the ministry's energy management program. The services are as follows:

Chief appraiser's branch. This branch carries out the valuation of land and buildings; and certifies lending values for NHA insurance of private lenders mortgages for all the ministry's housing programs. In 1982-83 the branch has processed:

- 39 proposals under the municipal non-profit housing program, section 56.1(a), consisting of 1,955 family housing units and 682 senior citizen units, with an approximate value of \$144 million.
- 2 provincially assisted projects, section 44.1(a), consisting of 44 family housing units, and 44 senior citizen units, with an approximate value of \$4.5 million.
- 13 projects for senior citizens' housing under section 40, rural housing, with an approximate value of \$11 million.
- 136 applications for rent supplement program purposes were reviewed, 113 foreclosure appraisals and lot values for leasing were conducted in 14 locations.
- The branch also carried out various appraisal assignments for the ministry's crown corporations, including assessment appeals for OHC; accelerated rental program budget reviews for OMC; land appraisals for OLC, and rental surveys in 48 locations.

The chief architect's branch develops establishes and administers all site development, planning, architectural and landscape architectural design standards and co-ordinates all engineering and construction standards for all the ministry's housing programs. In 1982-83 the branch has processed:

- Modified tender call documents for two OHC projects (46 units) of a total value of \$1.65 million.
- Technical reviews of 38 municipal non-profit projects (2,637 units) of a total value of \$140 million.
- Architectural and landscape architectural inspections for 13 OHC projects (312 units) of a total value

of \$10.5 million.

- Architectural and landscape architectural inspections on 49 municipal non-profit projects (3,478 units) of a total value of \$176.3 million.
- Landscape architectural design services for land development projects for OHC and OLC of a total construction value of \$120,000.
- Landscape inspection services for land development projects for OHC and OLC of a total construction value of \$385,000.
- Issued updated standards documents for OHC projects and updated guideline documents for municipal non-profit program.
- Developed new guideline documents for landscape planning in urban development and a reference manual of codes and regulations affecting landscape design.

Chief engineer's branch. The branch provides structural, mechanical, electrical, municipal services and geotechnical engineering design consultation services; and construction inspection services for all the ministry's housing programs. In 1982-83 the branch has processed:

- Engineering reviews for 3 assisted rental projects of a total value of \$2 million.
- Engineering reviews for 38 municipal non-profit projects of a total value of \$140 million.
- Construction administration and inspection services for 10 assisted rental projects of a total value of \$7 million.
- Construction inspection services for 55 municipal non-profit projects of a total value of \$165 million.
- Site investigations were made at 3 site locations.
- Soils investigations were made at 2 proposed sites.

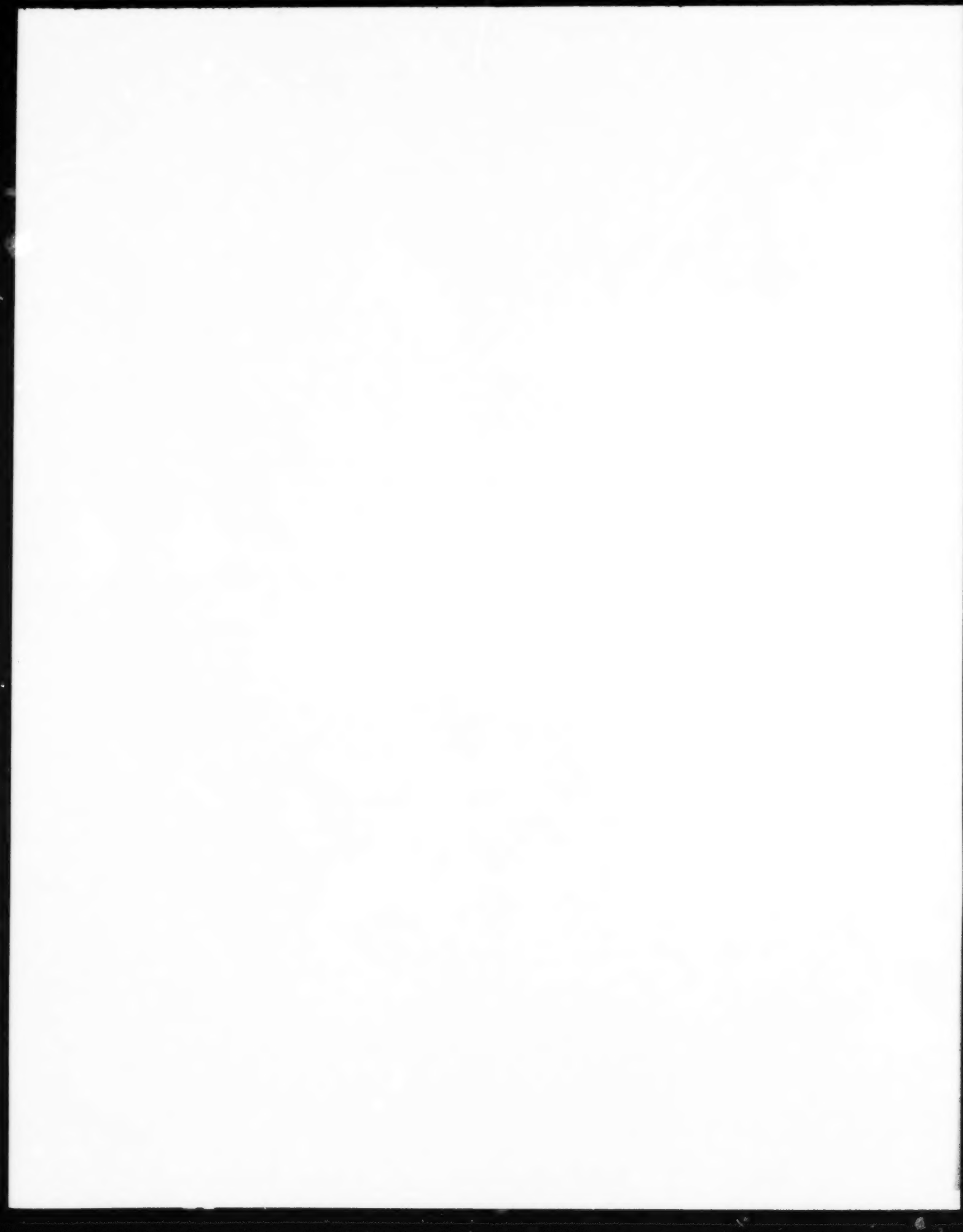
Research and development section.

This section carries out research projects for the technical services division and for the ministry's energy management program. In 1982-83 the section:

- Initiated 7 technical services

research projects.

- Initiated 26 energy management research projects.
- Completed 12 such projects.
- Planned 6 new projects for 1983/84.





Office of the
Chairman

Ontario
Housing
Corporation

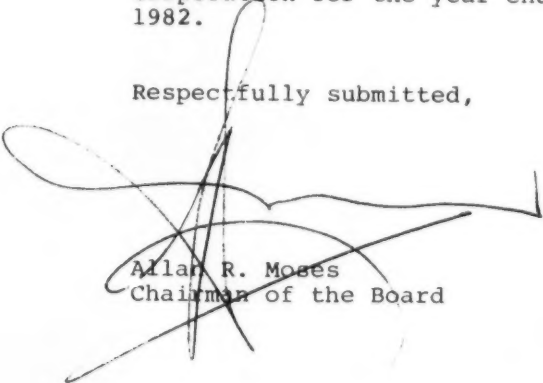
101 Bloor Street West
Toronto, Ontario
M5S 1P8

THE HONOURABLE CLAUDE F. BENNETT
MINISTER OF MUNICIPAL AFFAIRS AND HOUSING

SIR:

It is my honour, on behalf of the Board of
Directors, to present the Annual Report and
Statement of Accounts of the Ontario Housing
Corporation for the year ending December 31,
1982.

Respectfully submitted,



Allan R. Moses
Chairman of the Board



ONTARIO HOUSING CORPORATION

BOARD OF DIRECTORS.

A.R. Moses, chairman
R.M. McDonald*, vice-chairman
(To February 1, 1982)
L.F. Pitura, vice-chairman
(From February 1, 1982)
J.A. Bird*
R.G. Crompton
J.H. Jorden
J.F. Kelleher
J.E. O'Brien
M.A. O'Brien
G.P. Puddicombe
G.R. Stratton
J.A. Yaworsky

*no longer serving

REPORT OF THE CHAIRMAN OF THE BOARD.

During the year, Ontario Housing Corporation pursued several initiatives to strengthen the important dialogue between the board of directors and the more than 450 citizens who serve on the 61 housing authorities, which manage assisted housing across the province.

To this end, a new series of workshops were planned throughout Ontario for 1983. In addition to holding several workshops in the Metropolitan Toronto vicinity, the board of directors plan to travel to London, Ottawa and Sudbury to discuss issues of mutual interest with housing authority chairmen and members in those areas.

A new series of periodic meetings was arranged for 1983 between the OHC branch managers and the housing authority chairmen in their areas.

Housing authority chairmen attended meetings of the board of directors on a rotational basis during

1982. At year's end, plans were in hand for a new advisory council to be made up of 11 housing authority chairmen to advise the board of directors on a regular basis.

Each of these initiatives was designed to facilitate the free flow of information and ideas, and to encourage the team approach to managing assisted rental housing which I feel is so vital in our large organization.

At the end of 1982, the corporation had 84,302 housing units made up of 48,225 for families and 36,077 for senior citizens. The corporation also had 11,094 units under rent supplement program agreements, for a total portfolio of more than 95,000 units.

OHC is also involved in subsidizing rent-geared-to-income units developed under other housing programs. In 1982, the corporation was providing financial assistance for more than 115,000 units, including those in its own portfolio.

The success of the corporation's first involvement with a supervised group home for mentally-retarded adults was noted during the year under review.

This pilot project in Kingston grew out of the 1981 decision to expand the OHC mandate to include mentally-retarded adults capable of living independently. A five-bedroom unit in the Kingston Housing Authority portfolio was leased as a supervised group home to the Kingston and District Association for the Mentally-Retarded, which supplied the necessary support services.

The project has been a great success, and the many positive comments encouraged the board of directors to approve a similar group home in the North Simcoe and Orillia Housing Authority later in the year.

Also during 1982, the corporation instituted a formal internal review procedure which standardized the method for appealing decisions of local housing authorities across the province.

Under the new policy, both applicants who are refused housing

and tenants who are refused transfers to other assisted housing receive written reasons for the decision and are informed that they may request a review of the decision by the housing authority members at a private hearing.

I feel this policy further guarantees the equal treatment of all tenants and all those who apply for assisted housing.

The corporation made an extensive submission at a public inquiry into fire safety in highrise buildings.

The OHC presentation highlighted the many factors which have contributed to the corporation's enviable record of fire safety. The presentation included statistics on the role of smoke detectors, several chapters of the OHC field manual of administration dealing with fire prevention and, of course, our recommendations for improving fire safety.

Within the corporation, an organizational change of note was the appointment of Leonard Pitura, assistant deputy minister in charge of community development, as a member of the board of directors and vice-chairman of OHC.

Subsequently, he was elected chief executive officer of the corporation by the board of directors.

Mr. Pitura has been a great asset to the organization. His positive approach and wealth of experience enabled him to make a substantial contribution to the organization during the year.

In closing, may I extend my sincere gratitude to my fellow board members for their support and encouragement throughout the year, and to the many dedicated citizens who serve on our local housing authorities, giving their time and energy to provide assisted rental housing to those less fortunate.

As well, I would like to express my admiration and respect for the staff of the corporation for their outstanding efforts in 1982.

Allan R. Moses
Chairman

ONTARIO HOUSING CORPORATION

Ontario Housing Corporation provides rent-geared-to-income housing for families and senior citizens with low incomes and moderate incomes, as well as physically-handicapped and mentally-retarded individuals. Local housing authorities are responsible for managing the rental properties through agreements with the corporation.

OHC acquires the use of accommodation in properties not owned by the corporation, through the rent supplement program.

During the year construction began on 40 units. (Statistics used elsewhere in this report may vary due to differences in fiscal years.)

Three tender calls were issued for a total of 26 senior citizen and 14 family housing units.

The corporation secured rent supplement units during the year to bring the total at year's end to 11,094. These units provide accommodation for rent-geared-to-income tenants in buildings owned by private landlords and help to integrate low-income tenants into the community.

In 1982 there were nine projects taken under administration, for a total 228 units.

At year's end, the corporation had the following units in its portfolio:

Family	48,225
Senior citizen	36,077
Total	84,302

In addition, OHC was administering rent supplement program agreements covering 11,094 units.

Tenant placement waiting list as of December 31, 1982:

Family	17,794
Senior citizen	6,947
Total waiting list, family and senior citizen	24,741

HOUSING OPERATIONS BRANCH.

The branch is responsible for ensuring that the province's portfolio of assisted rental housing is operated efficiently and maintained properly.

During 1982 a revised management agreement was approved and forwarded to the 61 housing authorities for signature. The housing authorities provide a full range of property management services.

Six OHC branch offices provide resources and technical assistance to the housing authorities and conduct regular management reviews to ensure compliance with corporation policy and procedures.

The branch offices monitor the expenditure of all funds provided for the operation of the various properties and determine priorities of expenditures across a range of operational requirements. In 1982, the expenditures totalled \$379,203,964, compared with revenues of \$150,081,577.

The numbers and types of units and programs managed are shown elsewhere in this report.

MAINTENANCE ENGINEERING BRANCH.

The main focus of the staff continued to be on the preparation of plans and specifications for large-scale remedial and upgrading works, particularly in the structural, roofing and building services areas. A list of priorities for the allocation of budget funds was prepared in conjunction with the maintenance managers, and approved by the board of directors.

Province-wide programs carried out in 1982 include the preliminary assessment of the structural elements in 100 garage structures and the completion of the testing of fire alarm and emergency systems in 876 apartment buildings.

The presentation by the corporation to the public inquiry into fire

safety in highrise buildings included information on the activities of the branch such as: the annual report on the role of smoke detectors on fires in OHC buildings; chapters 13 and 14 of the *Field Manual of Administration* on safety and the planned maintenance program respectively; the testing of the fire alarm and emergency systems and resultant five-year upgrading program and the province-wide sprinkler system upgrading program.

Phase I of the correspondence course, conducted by the safety programs co-ordinator in co-operation with the Industrial Accident Prevention Association, was taken by over 300 staff members, and plans were implemented for phase II, which is a more advanced and formalized course of study on safety.

Five million dollars has been spent so far on energy-conserving retrofits. Over the last two years, this has resulted in a 2 per cent savings in apartment building energy use. Energy savings for 1982 were \$1 million.

OPERATIONAL PLANNING BRANCH.

During the year, a number of major policy reviews concerning the method of calculating rents for subsidized tenants was completed. These included revisions to the utility charges and allowances for family tenants, an increase in the maximum rental contribution for secondary wage earners, and changes to the method for including non-income producing assets in the rent calculation.

The program to house mentally-retarded people in OHC accommodation was evaluated. This evaluation focused on the effectiveness of the operational procedures as well as the number of tenants housed during the first year of the program.

A study of tenant satisfaction with the rent supplement program was completed. The purpose of this study was to compare the rent supplement and public housing programs within the broader context of housing factors that have the

greatest influence on tenant satisfaction.

Extensive operational reviews of the corporation's summer recreation program and community relations program were conducted. These operational reviews examined the role and function of these programs in relation to the provision and management of public housing.

A training program for newly-recruited community relations workers was conducted. Staff from various housing authorities in Ontario were included. Professional development workshops were held for the community relations workers throughout the province from January to June. These featured training sessions on children services, multiculturalism, stress, elderly and disabled persons, and race relations.

Regular programs for the administration of appointments of members to housing authorities, and a major revision of the *Field Manual*, *Administrative Procedures* were continued.

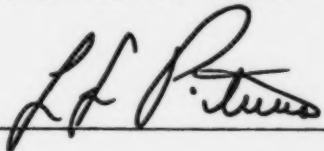
ONTARIO HOUSING CORPORATION
Incorporated without share capital under
the Ontario Housing Corporation Act

Balance Sheet
December 31, 1982

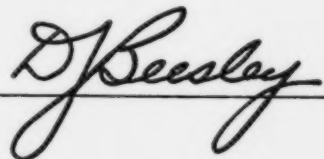
ASSETS	1982 (\$'000's)	1981 (\$'000's)
Accounts receivable	1,119	1,536
Operating funds due from the Province of Ontario (note 2)	61,980	62,333
Other assets	441	412
Mortgages and loans receivable	16,461	14,060
Land leased, at cost	2,308	2,308
Investment in properties		
- Projects under development, at cost (note 3a)	6,497	11,945
- Federal-Provincial housing, at cost, less accumulated amortization of \$3,270; 1981 - \$3,048	16,478	14,618
- Student housing on leased land, at cost, less educational institutions' equity of \$3,676; 1981 - \$3,326 (note 3b)	64,214	64,976
- Provincial housing, at cost, less accumulated amortization of \$43,024; 1981 - \$37,760	<u>1,273,965</u>	<u>1,275,715</u>
	<u>1,443,463</u>	<u>1,447,903</u>

See accompanying notes to financial statements.

On behalf of the Board:



Vice-Chairman



General Manager

LIABILITIES	1982 (\$000's)	1981 (\$000's)
Bank indebtedness	2,339	3,746
Accounts payable and accrued liabilities (note 4)	62,866	55,396
Mortgages and debentures (note 5)		
- Canada Mortgage and Housing Corporation	1,191,203	1,196,150
- Other	19,279	16,482
Capital indebtedness to the Treasurer of Ontario (note 5)	167,776	176,129
	<u>1,443,463</u>	<u>1,447,903</u>

ONTARIO HOUSING CORPORATION

Statement of Operations
Year ended December 31, 1982

	1982 (\$000's)	1981 (\$000's)
LOSS ON HOUSING OPERATIONS		
Assisted housing operations		
Rental revenue	<u>150,081</u>	<u>130,202</u>
Expenses		
Property operating expenses	205,228	190,833
Grants in lieu of municipal taxes	60,384	54,138
Amortization (principal repayments and interest)	<u>113,592</u>	<u>112,343</u>
	<u>379,204</u>	<u>357,314</u>
Loss on assisted housing operations (note 6)	229,123	227,112
Loss on rent supplement operations (note 7)	<u>38,593</u>	<u>35,528</u>
	<u>267,716</u>	<u>262,640</u>
Less: Canada Mortgage and Housing Corporation share	<u>137,700</u>	<u>134,717</u>
	<u>130,016</u>	<u>127,923</u>
Provincial contributions to municipal housing projects (note 8)	10,944	9,992
Loss on rural and native housing program (note 9)	<u>1,232</u>	<u>1,176</u>
Loss on housing operations	<u>142,192</u>	<u>139,091</u>
OTHER REVENUE AND EXPENSES		
Interest revenue	(8,932)	(9,327)
Interest expense	7,988	5,942
Loss from disposal of real property	39	238
Administration expenses (Schedule)	<u>1,269</u>	<u>1,771</u>
Net other expenses (revenue)	<u>364</u>	<u>(1,376)</u>
NET OPERATING LOSS FOR THE YEAR	<u>142,556</u>	<u>137,715</u>
OPERATING FUNDS PROVIDED BY THE PROVINCE OF ONTARIO (note 2)	<u>142,556</u>	<u>137,715</u>

See accompanying notes to financial statements.

SCHEDULE

ONTARIO HOUSING CORPORATION

Administration Expenses
Year ended December 31, 1982

	1982 (\$000's)	1981 (\$000's)
Salaries and benefits	149	387
General and office expenses	214	149
Grants and other expenses	44	167
Administrative support services (note 10)	<u>9,002</u>	<u>8,801</u>
	9,409	9,504
Less: Recovery of administration expenses	<u>8,140</u>	<u>7,733</u>
	<u>1,269</u>	<u>1,771</u>

See accompanying notes to financial statements.

ONTARIO HOUSING CORPORATION

Notes to Financial Statements
December 31, 1982

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles with the exception of investments in Provincial and Federal-Provincial properties (land and buildings) which are amortized over the terms of the corresponding indebtedness.

(b) Capitalization of Costs

Carrying charges for properties under development are capitalized and include interest, administration expenses and grants in lieu of municipal taxes.

(c) Self-Insurance

The Corporation follows the policy of self-insuring its Investment in Properties for property damage such as fire, water and vandalism. Costs of such repairs are charged to property operating expenses.

2. OPERATING FUNDS DUE FROM THE PROVINCE OF ONTARIO

The receivable of \$62.0 million (1981 - \$62.3 million) represents the balance due from the Province of Ontario for the current year's net operating loss less advances received to date.

3. INVESTMENT IN PROPERTIES

(a) Projects under development

Carrying charges for land under development were capitalized in the amount of \$0.4 million (1981 - \$1.1 million).

3. INVESTMENT IN PROPERTIES (Cont'd)

(b) Student housing on leased land

This investment represents building costs to provide student accommodation on land leased from 11 universities and colleges. These costs are being repaid semi-annually to the Corporation by the educational institutions over 50 years. When costs are fully repaid, the title to the properties will be transferred to the respective institutions. Rental and maintenance activities on these properties are administered by the institutions.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of:

	1982 (\$000's)	1981 (\$000's)
Canada Mortgage and Housing Corporation	27,825	20,110
Other	<u>35,041</u>	<u>35,286</u>
	<u>62,866</u>	<u>55,396</u>

5. MORTGAGES, DEBENTURES AND CAPITAL INDEBTEDNESS

The Corporation borrows funds from Canada Mortgage and Housing Corporation (CMHC), the private sector and the Treasurer of Ontario to finance investments in real property. Such borrowings are repaid in accordance with agreement terms, over periods normally not in excess of 50 years.

Interest is payable to CMHC and the private sector at various rates based on individual agreements ranging from 4.25% to 15% - weighted average rate of 8.13% (1981 from 4.25% to 14.50% - weighted average rate of 8.09%); and interest is payable to the Treasurer of Ontario at the weighted average rate of 8.43% (1981 - 8.29%).

5. MORTGAGES, DEBENTURES AND CAPITAL INDEBTEDNESS (Cont'd)

Estimated scheduled principal repayments over the next five years due for all long term debts are as follows:

	(\$000's)
1983	6,286
1984	6,751
1985	7,229
1986	7,742
1987	8,293
subsequent to 1987	1,341,957

6. LOSS ON ASSISTED HOUSING OPERATIONS

Under its assisted housing program, the Corporation essentially provides rental accommodation to families and senior citizens. The loss on this program is shared with Canada Mortgage and Housing Corporation.

7. LOSS ON RENT SUPPLEMENT OPERATIONS

Under its rent supplement programs, the Corporation provides rent-geared-to-income accommodation within the private sector to applicants from its waiting list. The costs of these programs are shared with Canada Mortgage and Housing Corporation.

8. PROVINCIAL CONTRIBUTIONS TO MUNICIPAL HOUSING PROJECTS

The Corporation contributed \$10.9 million (1981 - \$9.9 million) to The Metropolitan Toronto Housing Company Limited towards operating costs for senior citizen apartment units.

9. LOSS ON RURAL AND NATIVE HOUSING PROGRAM

This program, administered by Canada Mortgage and Housing Corporation, provides subsidized home ownership to families in rural areas. Mortgage payments are geared to owners' incomes. The subsidy is shared by Canada Mortgage and Housing Corporation and the Corporation.

10. ADMINISTRATIVE SUPPORT SERVICES

The Ministry of Municipal Affairs and Housing provides central administrative support services to the Corporation. The charge for such support services was determined on a basis acceptable to both the Ministry and the Corporation.

11. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform with 1982 presentation.



Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
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416/965-1381

To the Members, Ontario Housing Corporation, and
to the Minister of Municipal Affairs and Housing.

I have examined the balance sheet of Ontario Housing Corporation as at December 31, 1982 and the statement of operations for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at December 31, 1982 and the results of its operations for the year then ended in accordance with the basis of accounting described in Note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

In accordance with section 12 of the Ontario Housing Corporation Act, a report on the audit has been made to the Corporation and to the Minister of Municipal Affairs and Housing.

Toronto, Ontario,
May 6, 1983.

D.F. Archer
D.F. Archer, F.C.A.,
Provincial Auditor.



COMMUNITY PLANNING

The function of the *Community Planning Wing* is to ensure that provincial, municipal and private sector objectives can be achieved through an effective land use planning process.

The wing administers the regulatory planning process as well as grant and loan programs. Staff advice and assistance is provided to municipalities, business organizations and the public on all matters pertaining to the Planning Act and related legislation.

COMMUNITY PLANNING PROGRAMS.

The community planning programs division, formed in August, 1982, includes the community planning advisory, community renewal, and research & special projects branches. These branches are responsible for all planning wing programs of direct financial and advisory assistance to municipalities, and for the research functions of the wings as a whole. The regular liaison with municipalities provides improved input in establishing research topics, and the research capabilities allow for increased program analysis and evaluation.

Intra-division projects undertaken during 1982/1983 included a survey of municipal satisfaction with the community planning study grants program, and an investigation of the need and opportunity for a program of industrial revitalization.

Community planning advisory branch. The community planning advisory branch (CPAB) is a decentralized operation with offices in Ottawa, London, Sudbury, Thunder Bay and Metro Toronto. It is responsible for promoting community planning through the provision of education

activities, direct financial and technical assistance and advisory services. To minimize duplication in the planning process, emphasis is placed on those areas without planning staff or with insufficient full-time staff.

Education activities. In 1982/83, the branch organized 94 educational seminars and workshops, and participated in 64 sessions which were initiated by other branches or agencies. The major activity took place in February and March, after the passing of the new Planning Act. CPAB participated in the 21 new councillors' seminars in conjunction with the municipal affairs wing, advising both new and returning municipal council members of the changes to take place under the new act.

Technical assistance. CPAB offers professional planning assistance to many Ontario municipalities on a no-cost consultant basis. During 1982/83, 41 documents were prepared (relating to official plans and zoning by-laws), and terms of reference were drawn up for 33 studies.

During the year, 334 plans, reports and documents were reviewed by staff. This included comments to the plans administration branches to provide a local perspective on documents submitted for approval.

Financial assistance. CPAB administers three grant programs providing funding to municipalities: community planning study grants (CPSG), planning administration grants (PAG), and energy conservation through land use planning (ECTP).

In 1982/83, 91 municipalities and joint planning boards received provincial commitments for \$929,000 under the CPSG program. In some cases, first installments were made during the fiscal year and outstanding amounts will be provided upon completion of the individual planning studies.

Among the 100 documents to be produced as a result of these commitments are:
Official plan documents (new or

revised plans, major amendments, secondary plans) 48
Zoning by-law documents (new or revised by-laws, major amendments, by-laws to replace minister's zoning orders) 36
Special/other planning studies 16

The branch also awarded grants totalling \$225,000 (under PAG) to facilitate the administration of planning activities in 15 planning areas containing unorganized territory in northern Ontario.

The energy conservation through land use planning program which began in 1981/82 to provide funding to all municipalities to include an energy conservation component in their planning studies was continued in 1982/83. New commitments totalling \$292,000 to 10 additional municipalities were made during the year, through funds from the Ministry of Energy.

Advisory services. Approximately 30 per cent of staff time was devoted to advisory and general consultation services to municipalities, other provincial agencies, developers and the general public. Branch staff represented the ministry on a number of committees and performed a liaison role with other agencies and the general public on matters of ministry concern.

COMMUNITY RENEWAL.

The community renewal branch is responsible for encouraging community improvement through assistance to municipalities and the private sector. In carrying out this responsibility, the branch administers a number of provincial and federal/provincial programs in addition to providing advisory services to both municipalities and the private sector on community improvement related issues.

Ontario neighbourhood improvement program (ONIP). This program was introduced in 1981 after the federal government terminated the community services contribution

program. Under ONIP, municipalities receive a 50 per cent provincial grant for projects to upgrade municipal services and social and recreational facilities in areas which are deteriorating (but potentially stable) and are occupied by low and moderate-income households.

During the 1982/83 fiscal year, \$11.9 million was committed to 57 municipalities bringing the total commitment at the end of 1982/83 to \$23.8 million to 102 projects in 76 municipalities. Provincial payments for these projects are expected to be made during the next three to four fiscal years.

Ontario downtown revitalization program (ODRP). Introduced in 1976, the program assists eligible municipalities with a maximum population of 125,000 to facilitate privately funded downtown redevelopment. Public funds are invested in land acquisition, parking facilities and servicing to make a downtown redevelopment project attractive to the private sector. The public sector investment is recovered through land sale and/or leasing, tax increments and contingent income from the downtown redevelopment project. The province provides assistance to municipalities in the form of partially recoverable loans up to a maximum of two-thirds of the approved public sector costs. Total provincial recovery is contingent upon additional revenue being created for the municipality.

During 1982/83 fiscal year additional commitments in the amount of \$4.7 million were made to three municipalities. As of the end of the fiscal year approximately \$52.8 million of a total appropriation of \$56.5 million has been committed to 12 downtown redevelopment projects in 10 municipalities. Eight projects have been completed and repayment of the loans has begun.

Ontario main street revitalization program. This program was introduced in 1978 to assist municipalities with a maximum population of 35,000 to improve and upgrade the downtown core area using the BIA concept.

The province provides assistance to municipalities through a maximum \$150,000 loan toward physical improvements and parking projects being undertaken in accordance with BIA plans for the downtown area. Total provincial recovery from the BIA and/or municipality is limited to 110 per cent of the loan over a maximum 10-year period.

During the 1982/83 fiscal year \$2 million was committed to 15 municipalities. As of the end of the fiscal year, more than \$7.5 million had been committed to projects in 55 municipalities. Of these projects, 40 have been completed and repayment of the loans has begun.

Business improvement areas. The business improvement area (BIA) concept began in 1970 when the province enacted what is now section 217 of the Municipal Act, R.S.O. 1980. This BIA legislation provides local business and retail communities with the opportunity to establish a formal organization to facilitate physical improvements and coordinate marketing and promotional activities within their area.

The branch actively promotes the BIA concept in municipalities and was instrumental in the establishment of the Ontario Business Improvement Area Association (OBIAA). In addition to providing advisory services to established and prospective BIAs, the branch has established a permanent liaison with OBIAA to assist that organization in fulfilling its mandate. At the end of the 1982/83 fiscal year, there were 159 active BIAs in the province with a cumulative annual budget exceeding \$7.5 million.

Other programs. The branch is still actively involved in administering and overseeing renewal programs that have been terminated by the federal government but which still have outstanding provincial commitments. These programs are: urban renewal, neighbourhood improvement and community services contribution program. In 1982/83, 138 projects were still in the process of being implemented with an outstanding

provincial commitment of approximately \$15 million.

RESEARCH AND SPECIAL PROJECTS BRANCH.

The research and special projects branch was created on August 31, 1982 by combining the special studies and programs sections of the local planning policy branch with the project planning branch. The branch provides technical advice on community planning to the ministry. The impact of changing economic and social conditions upon communities, and the consequences for development and redevelopment are analyzed and related to existing programs and future needs. Branch initiatives emphasize practical approaches to opportunities and constraints affecting community planning and development. Publications, based upon this work, provide an insight into community planning issues of use to municipalities, other government agencies, consultants and the development industry.

Recent projects include:

- Publication of a report dealing with site planning for solar access.
- Publication of a review of the *Urban Development Standards Study* published by the Ministry of Housing in 1976.
- Publication of a report outlining an approach for determining energy savings which could be realized through the use of alternative, energy-efficient, planning practices.
- Publication of a review of the problems related to the functioning of older, inner-city industrial areas with recommendations for programs to improve their longevity for industry.
- Completion of the *Lakeshore Capacity Study Phase III*, a co-operative project with the ministries of the Environment and Natural Resources. The "model" which has been developed requires further testing and refining. It provides a scientific basis for planning and evaluating applications for cottage development on inland lakeshores in the Muskoka-Haliburton area.

- Completion of a report on the broad implications of an aging population for community planning practice in urban areas.
- Completion of a report on the use of computers in planning.

LOCAL PLANNING POLICY.

With the reorganization of the *Community Planning Wing*, the local planning policy branch is now composed of two sections. The policy section is responsible for initiating and responding to legislative needs related to municipal planning and the co-ordination of statements of provincial policy in planning matters. The operations section is responsible for the development of explanatory guidelines, regulations and other material related to the Planning Act and for conducting educational sessions to assist in greater understanding of the province's interests in planning.

The Planning Act. The main efforts of the branch during 1982/83 were devoted to completing the comprehensive review of Ontario's planning legislation. During the summer of 1982, the standing committee on general government continued to review Bill 159 and Bill 194 and staff of the branch served as resource personnel as required by the committee. On January 25, 1983, Bill 159 and Bill 194 received final reading. Royal assent quickly followed. A series of intensive meetings were held to familiarize ministry staff with the new act. In February and March, 21 meetings were conducted across the province (in conjunction with the Association of Municipalities of Ontario) to inform municipal councillors and staff of the new legislation. Staff of the branch played a leading role in all of these sessions, which were attended by over 2,000 municipal representatives.

A key factor in the success of these meetings was the development of an audio-visual presentation and the publication of an information kit on the new act. This kit included copies of Bill 159 and 194, two bulletins to assist municipal clerks and

councils in getting ready for the new legislation, and three guidelines to explain the ministry's position on planning advisory committees, local planning in northern Ontario and the delegation of planning authority. Also included was a preliminary draft of regulations needed in conjunction with the new act. All material was sent to every municipality in the province.

Staff also has met with representatives of the development industry, public interest groups and professional organizations involved in the planning and development process. The new act came into effect August, 1983.

PLANS ADMINISTRATION: NORTH AND EAST, CENTRAL AND SOUTHWEST.

During 1982/83 the plans administration division was reorganized and consolidated into two review branches: Plans administration branch, north and east, and plans administration branch, central and southwest. The operations control branch was disbanded and the functions relating to preparation of guidelines on planning procedures and co-ordination of ministry comment on environmental assessments was assigned to the local planning policy branch. The administrative support unit, development co-ordination unit and cartography and drafting units were assigned between the review branches. The branches were renamed plans administration branches to reflect the additional responsibilities with respect to community planning throughout the province.

The branches perform regulatory and monitoring functions for a variety of planning responsibilities based on a geographical division of the province.

North and east (all regions, counties and districts north and east of Simcoe county and Durham region); **Central and southwest** (all counties and regions west of Northumberland and Victoria counties and the district municipality of Muskoka).

The branches administer the

approval of official plans and amendments, plans of subdivision and condominium. They also implement the delegation of the minister's authority under the Planning Act, which includes subdivision, condominium, local official plans and amendments (in regions) and consent approvals. The branches monitor various approvals delegated to regional municipalities, as well as severances granted by planning boards.

In areas outside regions, zoning by-laws are reviewed by these branches and comments are made to the Ontario Municipal Board. They also approve amendments to the minister's zoning orders.

Other functions include approving applications for the minister's consent, the validation of land titles, road adjustments, part lot control by-laws and deeming by-laws.

The plans administration branch, central and southwest, is also responsible for handling appeals to decisions on Niagara Escarpment development permits, implementing the Parkway Belt west plan and approving amendments to Parkway Belt regulations.

The preparation of minister's zoning orders for unorganized areas in northern Ontario is administered in the plans administration branch, north and east.

The general administration section provides clerical support to the branches. Its responsibilities include administering outstanding loan and grant commitments made under the Ontario housing action program. The cartography and drafting section provides mapping and graphic services to the branches and the *Community Planning Wing*.

ANNUAL STATISTICS, FISCAL 1982/83

	<u>1982/83</u>	<u>1981/82</u>
Development grants		
New grants	0	0
Total amount paid	0	0
Grants completed or extended	0	1
Total amount paid	<u>0</u>	<u>\$500,000</u>
	0	\$500,000
Interest free loans		
Number of loans made	0	0
Total loans approved	0	0
Amount disbursed	\$2,809,126	\$256,772
Housing incentive grants		
Amount disbursed	\$ 17,400	\$247,576
Zoning		
Comprehensive and amending by-laws received	4275	4942
Comprehensive and amending by-laws terminated	4309	4892
Zoning orders		
Amendment applications received	230	234
Applications terminated	247	236
Minister's consents		
Applications received	1024	1238
Applications terminated	1085	1326
Official plans		
Proposed official plans received	35	36
Proposed official plan amendments received	691	819
Official plans terminated	43	45
Official plan amendments terminated	763	859
Parkway belt		
Received	249	130
Terminated	249	132
Niagara Escarpment Commission		
Appeals received	95	107
Appeals terminated	97	112
Road adjustment by-laws		
Received	347	299
Terminated	343	293
Part-lot control		
Received	23	12
Terminated	22	15
Validation		
Received	53	71
Terminated	70	56
Subdivision and condominium applications		
Received	188	300
Terminated	310	468
Subdivision submissions of delegated regions	269	398

MUNICIPAL AFFAIRS

LOCAL GOVERNMENT ORGANIZATION BRANCH.

In broad terms, this branch has the responsibility for advising senior management and the minister with respect to the authority and responsibility local government should be accorded in terms of its functions, its organizational arrangements and its structure. The branch works toward local government that can be responsive, responsible and more easily understood.

The branch is involved both in current and topical policy formulation and advice and in longer term policy planning and initiatives. The branch also has responsibility for co-ordinating municipal legislation and carrying forward policy as it is to be expressed and introduced as legislation.

The branch is made up of three sections: the functions policy section, the organization policy section and the legislation section. The objectives and selected current activities of each section are set out below:

Functions policy section.

- Assesses and develops proposals to increase the effectiveness of local government and to increase its capacity to set priorities and deliver services.
- Anticipates future trends that will place new demands for services on municipalities.
- Studies existing and proposed arrangements for service delivery by the municipal sector. This includes the division of responsibility between local government and the province and between levels of local government in a two-tier system.
- Communicates with other ministries regarding existing local government policy and the implications that the proposed programs and policies of those ministries will have for municipalities.

palities. To this end, section members attend meetings of the policy field cabinet committees.

- Examines the relationships between municipalities and other agencies in local government and makes recommendations for change.
- Provides advice on the proposals of other ministries as they affect local government. Staff participate in interministerial and intergovernmental committees on such varied topics as services to the aged, review of the Fire and Police Acts, transportation of dangerous goods, and animal control.

Organization policy section.

- Assists in the development of more effective local government structures, including monitoring requests from restructured areas.
- Undertakes research and policy development on the organizational character of local government to improve its accountability, accessibility and responsiveness to local needs and conditions. Recent activities have included research into public access to information and municipal meetings, a revised Municipal Conflict of Interest Act and the three year term.
- Monitors and assists in the new boundary negotiations process (Bill 197). The Municipal Boundary Negotiations Act was proclaimed in February 1982. The section also monitors boundary change applications exempt from the new procedures.
- Undertakes studies and liaison promoting more effective local government in northern Ontario.

Legislation section.

Objectives and Activities.

- focal point in the ministry for requests for changes in legislation, the section is informed of the status and content of all legislative proposals and liaises with other branches of the ministry.
- ensures that the statutes of the ministry are well organized and up to date, the section reviews existing statutes and makes

recommendations to modernize and improve the legislation (e.g., the Municipal Act).

- provides advice to senior management and the minister on requests for public and private municipal legislation to ensure that the process for public and private legislation is well co-ordinated and effective.

The branch continues the local government student research assistance program, which provides grants to assist students with the costs of undertaking theses, dissertations and research papers on topics related to local government in Ontario.

MUNICIPAL FINANCE BRANCH.

The municipal finance branch is responsible for the development of policy and legislation intended to ensure the long term financial viability of Ontario municipalities with respect to their revenue base; expenditure levels; and cost-sharing among municipalities and taxpayers.

In performing its role, the branch undertakes research (e.g., the simulation of the impact of grants and apportionment policy changes), and prepares policy papers and submissions for consideration by the minister and cabinet. Branch representatives meet frequently with the various "client" groups interested in municipal finance (e.g., elected and appointed municipal officials).

The municipal finance branch also provides liaison with other ministries and agencies on municipal allocations and other provincial initiatives which have municipal finance implications.

The branch is divided into three sections: grants and other revenues, taxation, and forecasting and analysis. The main policy areas for each group involve the following:

Grants and other revenues.

- Annual review of the ministry's unconditional grants program to ensure the efficient and equitable transfer of funds to municipalities. In 1983, the program contributed approximately \$676 million to the municipal sector.

- Development of a discussion paper on the reform of the unconditional grants program and participation in consultation process with the Association of Municipalities of Ontario.
- Participation with the Ministry of the Solicitor General in the evaluation of municipal police financing.
- Evaluation of other ministries' grant programs and how they affect the finances of municipalities.
- Policy development on municipal debt, lot levies and municipal pension plans.
- Lead role in the committee studying the consolidation of all municipal finance legislation from the various acts which presently have finance provisions.
- Similar position in the municipal debt management committee which is made up of representatives from the province, the municipalities and the financial community.
- Development of municipal grant for bicentennial celebrations.

Taxation

- In conjunction with the Ministry of Revenue, formulating policy options to accommodate broader scale reassessment initiatives within a county or region.
- Policy development toward the determination of an appropriate basis for distributing metro, regional and county costs among their constituent municipalities.
- Review of payments to municipalities made in lieu of property taxes.
- Evaluation of private legislation and development of general government policy respecting exemptions from property taxation.
- Support for cabinet committee on municipal assessment, taxation and grants.
- Review and enhancement of procedures for collection of local taxes with respect to:
 - Interest, penalties and discounts;
 - Business taxes;
 - Payments to school boards and upper tiers.

Forecasting and analysis.

- Forecasts of local government expenditures and revenues.
- Financial analysis of municipalities for the Ontario Municipal Board and on request from other ministries (e.g., Northern Affairs).
- Analyses of the economic bases of municipalities in high unemployment areas.
- Policy development on municipal job creation.
- Policy development for the distribution of special, transitional and loss of revenue grants.
- Analysis of inflation restraint impact on municipal sector.
- Annual publication of *Local Government Finance in Ontario*, a statistical review of local government finances.

PROVINCIAL MUNICIPAL AFFAIRS SECRETARIAT.

The secretariat performs a liaison function between the province of Ontario and those municipal organizations which collectively represent local government in Ontario.

During the past year a close working relationship has grown between the secretariat and the Association of Municipalities of Ontario, which represents the majority of Ontario's 838 municipalities. This relationship has developed as part of the new provincial-municipal consultation process. Regular meetings were held between the AMO executive and the Minister of Municipal Affairs and Housing, with other members of cabinet attending to discuss matters of mutual concern. The secretariat is responsible for the arrangements and agendas for these meetings.

In conjunction with AMO, the secretariat organized a series of 21 seminars for newly elected councillors, held across the province. Topics included the new Planning Act, the new Conflict of Interest Act, municipal finance and administration and the province's inflation restraint program. Over 2,500 councillors attended these seminars, and the

response was overwhelmingly positive.

For 1983 the secretariat produced a *Municipal Directory* which is the most comprehensive in Canada. In addition to the regular material, the lists of municipal officials were expanded to include the directors of planning and recreation, police and fire chiefs, tax collector, and chief building official for each municipality. These expanded listings reflect the growing importance of the various departments of local government in Ontario.

The secretariat also produces *Background*, a weekly newsletter on topics of current interest in local government, and circulates quarterly summaries of municipal resolutions and provincial responses.

SUBSIDIES BRANCH.

Program	Total amount paid	Total clients served
Disaster relief assistance program	2,981	1 municipality
Farm tax reduction program	68,528,000	151,939 farm properties
Involvement in municipal administration program	840,384*	348 students
Managed forest tax reduction program	1,150,100	8,015 properties
Marinas & boating facilities program	772,597	80 municipalities
Municipal energy audit program	861,540	42 municipalities
Ontario employment incentive program	31,250,000	708 municipalities 20 conservation authorities 8,135 jobs
Ontario municipal training program	159,603**	24 municipalities
Ontario unconditional grants program	613,729,529	838 municipalities
Ontario youth employment program	24,107,000	17,000 employers 41,500 jobs
Provincial parks program	310,802	95 municipalities
Provincial properties payment-in-lieu-of-taxes	20,699,988	650 municipalities
Shoreline property assistance program	364,300	34 municipalities 44 participants
Special emergency assistance program	275,678	10 municipalities
Tenant occupied provincial properties program	4,905,306	605 municipalities
Canada-Ontario employment development program		
Municipal	9,215,415	332 municipalities
Non-municipal	783,751	52 participants
French language services	256,982	22 municipalities

* Includes \$173,325 paid under municipal action '85.

** Includes \$ 76,676 paid under municipal action '85.

MUNICIPAL OPERATIONS DIVISION.

The municipal operations division provides a full range of advisory services to improve local government effectiveness and monitors financial management and reporting requirements for municipalities.

During the past year the division made significant advances in implementing the municipal action '85 program. In addition, work got underway in assisting municipalities

to settle boundary disputes. 19 applications were received under this new legislation.

A network of 10 field offices assists the division.

Field services branch. The field services branch operates a network of 10 field offices in Ontario to advise and assist municipalities, the public, other government ministries and agencies on all aspects of local government.

Field offices are located in Thunder Bay, Sudbury, North Bay, Ottawa, Kingston, Oshawa, Orillia, Cambridge, Guelph and London with a head office in Toronto.

Staff members of the field offices have the first line responsibility to assist municipalities to comply with recognized practices and maintain financial stability. Problems are usually resolved at the local level. When necessary, the field office staff will provide on-site assistance.

For the more than 460 municipalities under 2,500 population, the guidance from the branch is particularly emphasized and requested as complexity of municipal administration increases.

The direct supervisory capacity of the ministry for the conduct of the affairs of the seven improvement districts and three other municipalities is carried out by the branch. Two municipalities have requested and are receiving supervision in certain matters (modified supervision).

The branch prepares the background material on special assistance by way of grants or loans due to extenuating circumstances. In the fiscal year the minister approved 11 grants.

The rapport between branch staff and municipal officials is developed by branch seminars for municipal staff and attendance as resource people at municipal association and zone meetings.

Financial reports of all municipalities are reviewed by the branch. Weaknesses are identified and taken up with the municipality and the auditor.

Training of inexperienced senior municipal staff by the on-site attendance of municipal consultants is provided by the branch, either by a joint share-cost agreement with the municipal corporation or by a direct payment to the corporation toward the cost.

Municipal boundaries branch.

The function of the municipal boundaries branch is to administer the Municipal Boundary Negotiations Act, 1981, and to assist municipalities who apply for the procedures under the act.

The purpose of the act is to provide a process whereby municipal politicians on all sides of a boundary or boundary-related issue may resolve annexation or amalgamation matters or resolve intermunicipal problems arising in respect of boundary-related issues, by direct intermunicipal negotiations.

Municipal boundaries branch provides the resources to carry out fact-finding inquiries on behalf of the minister, to act as facilitators and mediators to assist municipalities in resolving their issues, and to generally see that the provisions of the act are carried out.

There are six separate, usually sequential steps in the process. They are:

- orientation of municipal councils and staff
- application for initiation of procedures provided for in the act by a municipality
- fact-finding by municipal boundaries branch staff, on behalf of the minister
- negotiations between affected municipalities chaired by a chief negotiator from the municipal boundaries branch
- an agreement or non-agreement
- post-negotiation activities and minister's action

In certain circumstances one or more of the steps may not apply, such as in uncontested applications where there is agreement or near agreement between municipalities prior to an application and no need for formal negotiations are required under the act.

During 1982/83 the branch received 19 applications from municipalities. Fact finding inquiries were started in all 19 and concluded in seven. Of these seven, two were uncontested which were implemented by order-in-council and formal negotiations started in the other five.

Research on various subjects is carried out by branch personnel on an "as required" basis as and when identified by a negotiation committee. This includes financial analysis of the impact on the municipalities involved in the negotiations of potential and/or proposed areas to be annexed.

The result of the branch's program is that boundary and boundary-related disputes are resolved in a politically accountable way; in a process that is non-legalistic; at a minimum cost to municipalities and the province; and in a manner that permits on-going good relationships among municipalities at the conclusion of negotiations.

Municipal management policy branch.

The municipal management policy branch is the focus for a broad range of provincial initiatives to promote and provide assistance for the effective management of Ontario's municipalities.

The activities of the branch are designed to achieve three primary objectives:

- On behalf of the provincial government, the branch encourages compliance with provincial policies and legislation by municipalities and ensures effective administration of related ministry programs.
- It advises the province, municipalities, municipal organizations, government agencies and the public on trends and issues in municipal management.
- The branch promotes the application of modern technologies and techniques to assist municipalities in the improvement of their management capabilities.

The branch has received international recognition. The publication *Performance Measurement for Municipalities* received the 1982 award for excellence from the Municipal Finance Officers Association. (A second award in 1983 for the *Municipal Financial Reporting Handbook* has just been received.)

Expertise in the field of new technology has resulted in an exchange of

information and requests for assistance in the development of seminars from the Organization for Economic Co-operation and Development (OECD); demonstrations of the MARS system have been made to professional associations such as the International City Managers Association (ICMA) and the Municipal Finance Officers Association, to other provinces, and to the All-Canada Stats Canada Conference. At the request of the chief inspector of audits, responsible for municipal auditing in the United Kingdom, information was furnished on the auditing situation in Ontario.

Management advisory publications on a wide range of administrative, financial and organizational matters and on issues of special interest to municipal administrators are prepared by the branch.

Two major publications were completed:

- a) *Joint Services in Municipalities — Five Case Studies*
This publication describes different ways in which local governments have pooled their skills and resources to increase their capacity to manage effectively in the area of a purchase co-operative; a shared computer facility; a shared recreation and convention centre; shared sports and recreation program; and a shared clerk-treasurer.
- b) *Basic Accounting Package (BACAPAC)*
Designed primarily for smaller municipalities, this is a manual of basic bookkeeping, accounting and management procedures, and includes a model chart of accounts. It has been tested and is being implemented in twelve municipalities as pilot projects.

Other publications in progress include: *Monograph on Sick Leave Credits*; *"How to Borrow"*; *New Operating Budgets*; *Capital Works Management*.

A study of the role of the municipal auditor is in progress. Phase I — *Accountability in the Local Government Environment* was completed

during the year. Phase II has now commenced and will review the auditor's role in local government. The study aims at providing an understanding of the accountability patterns within municipalities and between municipalities and senior levels of government.

Specialized advice is provided to municipalities, municipal associations and educational institutions in relation to special projects concerning municipal organization and management.

Management analysis and retrieval system (MARS). MARS is a unique municipal information data bank that permits analysis and evaluation of the local sector for policy development and review of municipal finance trends.

The data bank is also used by other branches of the provincial government in the development of the provincial budget, municipal financial policy and the administration of unconditional grants.

The MARS facility is also being employed in the development of a simulation model to analyse the impact of municipal boundary changes and in the application of new technologies to municipal financial reporting, comparative analysis and management information systems.

The MARS information is being made available to other parts of the government, to municipalities, consultants, academics, rating agencies and others interested in Ontario's municipal sector.

The system has been extended to provide access to field offices, a number of municipalities, and the Association of Municipalities of Ontario.

Municipal action '85. This program was launched in May 1982 with the aim of assisting municipalities of all types and sizes in the improvement of their management and operations. The program provides direct funding in three general program categories: training and development; budget accounting and control systems (the BACPAC system described above);

advanced management systems covering projects relating to the whole range of municipal operations.

Response to the program has been excellent with payments to municipalities and individuals exceeding \$1 million in the year.

A fourth program category covers general management initiatives. Work has commenced on a consolidated municipal reference directory and the first volumes should be available to municipalities within a few months. The branch is also in the process of developing a study of the feasibility of micro-computers for municipal governments. The branch has also been involved with the field services branch in the development of joint municipal service initiatives.





Ontario
Land
Corporation

60 Bloor Street West
Toronto, Ontario
M4W 3K7

THE HONOURABLE CLAUDE F. BENNETT
MINISTER OF MUNICIPAL AFFAIRS AND HOUSING

SIR:

On behalf of the Directors, I am pleased to
present to you the Annual Report of Ontario
Land Corporation for the year ending March
31, 1982.

Respectfully submitted,

H.W. HIGNETT, M.B.E.
Chairman of the Board and President

[illegible]

ONTARIO LAND CORPORATION

BOARD OF DIRECTORS.

Herbert W. Hignett, chairman
Robert W. Riggs, vice-chairman and
chief executive officer
Bryan P. Davies
James H. Joyce
A. Jerry Trusler
Maurice J. Closs
Joseph A. Marrese
Mrs. Lee Martini
Jean C. Paradis
Charles C. Parsons
Stanley G. Payne

THE YEAR IN REVIEW.

This year *Ontario Land Corporation* completed its amalgamation with Ontario Mortgage Corporation and OMC is now a wholly owned subsidiary. Ontario Mortgage Corporation's assets, liabilities and retained earnings were transferred by order-in-council to OLC effective April 1, 1982 and its shares transferred effective June 1, 1982. Concurrent with the amalgamation the two boards of directors also merged. This merger will facilitate the repayment of the combined debt to the treasurer and increase the overall efficiency and effectiveness of the corporation in managing its corporate resources.

A major initiative undertaken during the year was the administration of the Ontario renter-buy program which was announced by the treasurer on May 14, 1982. \$75 million was allocated to provide assistance to first-time home buyers and encourage employment in the construction and related industries. The program consisted of interest-free loans of up to \$5,000 towards the purchase of a new home within established price ceilings.

Eligible purchasers were required to meet specific program criteria. At March 31, 1983, 14,600 applicants

had been approved for assistance and 12,400 loans were disbursed amounting to a total of \$62 million. A total of 37,200 man-years employment will be created.

Construction and advances continued under the Ontario rental construction loan program (ORCL). The program provided interest-free second mortgage loans to assist in the construction of private rental accommodation in areas with low vacancy rates. Some of the projects previously approved had not proceeded because of high interest rates and difficulty in obtaining first mortgage financing. At year's end, 10,300 units had been completed, 1,700 were at the roof stage, and 3,500 were in various stages of construction for a total of 15,500 units. \$40.3 million has been advanced this year with a further \$26.1 million to be advanced during fiscal 1983/84. This program created 46,000 man years of employment in the province.

These two programs are administered by the corporation on behalf of the government of Ontario and the loans are not part of the corporation's asset portfolio.

The quick pay mortgage plan was launched during this fiscal period enabling mortgagors to reduce the amortization period of their mortgages. Under this plan mortgagors can make weekly or bi-weekly payments rather than the traditional monthly payments. By year end 9,800 mortgagors had taken advantage of this new payment method which will result in considerable interest savings for homeowners.

The corporation signed an agreement with Canada Mortgage and Housing Corporation to consolidate its outstanding debenture and loan agreements; a debt retirement fund was established to repay outstanding debentures of \$112 million over a 20-year period. OLC has also approved a debt management plan covering the repayment of outstanding debt to the treasurer of Ontario. Under this arrangement, the corporation paid to the treasurer more than \$120 million in principal

and interest this fiscal year.

Although down slightly from last year, significant sales were realized in the inventory of properties acquired through mortgage defaults and arrangements were made with mortgagors to avoid additional defaults.

Interest rates, although declining from the peak reached in 1981, remained high until the last quarter of 1982. This affected earnings from the mortgage portfolio as mortgages were re-financed at the higher rates or paid off in full. During the latter part of the fiscal period there was a marked increase in discharges as mortgagors, who had renewed during the higher interest rate period, took advantage of lower rates available in the private sector. Land sales were also adversely influenced by high interest rates during most of the fiscal year.

The corporation's land inventory is 26,928 hectares. Of the 23,634 hectares available under the farm-lease program, 95% were leased through 1,134 individual agreements. Lease revenues were \$3.5 million.

In the North Pickering land assembly, the number of outstanding final settlements resulting from expropriation was reduced to 44. A formula for settlement of the ombudsman complaints was agreed upon and at March 31 1983, 43 complainants (representing \$776,743) had settled out of the original 96.

FINANCES.

The financial results for 1982/83 reflect the combined operations of *Ontario Land Corporation* and *Ontario Mortgage Corporation*.

Gross revenue was \$115,492,000, down \$18,752,000 from the previous year due primarily to reduced sales of properties acquired under mortgage defaults. Interest income on mortgages and loans increased by \$3,432,000, reflecting the higher prevailing rates on mortgage renewals.

Net income was \$16,572,000, up \$3,798,000 from 1981/82, due mainly to the increased yield on the mortgage loan portfolio and a reduction in general and administrative expenses.

The latter are now borne by the Ministry of Municipal Affairs and Housing.

Assets of the corporation have decreased by \$46,204,000. Some \$12 million of this represents a reduction of the acquired property portfolio, \$20 million represents a reduction of the mortgage and loan portfolio, and \$8 million represents a reduction of cash and short-term investments. During the fiscal year, 4,300 mortgages with a total principal balance of \$77.8 million were renewed. Interest renewal rates ranged from a high of 17½ per-cent in April, 1982 to a low of 13¼ percent in March, 1983.

MARKETING AND DEVELOPMENT ACTIVITIES.

There was an increase in residential land purchased by builders as a result of the Ontario renter-buy program. Assistance provided under the ORB program also stimulated house sales in many communities.

New sales agreements reached \$27.5 million compared to \$24.6 million in 1981/82. Sales agreements totalling \$28.3 million closed this year compared with \$32.8 million last year.

New sales included lots for 1,248 residential units and 27 hectares of block lands for residential, industrial, commercial and institutional uses.

At year's end, the corporation had reduced its acquired properties portfolio to 353 units. As a result of successful sales campaigns and an upturn in the real estate market, \$17 million in sales were accomplished within this year.

Malvern.

Plans were completed for 1,000 residential units in Malvern, a community in north-east Scarborough with a present population of approximately 30,000 and a full mix of residential, commercial, industrial and related land uses.

Registration and servicing of the first phase of neighbourhood 2 area was completed. 400 lots offered were sold, and houses are under construction; 9 hectares of block lands were also sold during this fiscal period.

Townsend.

A major initiative in 1982/83 was the construction of a \$2.7 million administration building for the region of Haldimand-Norfolk in the spring of 1982; completion is scheduled for June, 1983.

Three residential lots were sold to builders, and 31 homes were purchased and occupied. In the Village Centre, OLC holds leases with a pharmacy, bank, convenience store, professional and institutional offices. Other leases are currently being negotiated.

Other developments.

Aurora: Development is nearing completion with the last stage of 74 singles and semi-detached units serviced; a total of 41 residential land units were also sold.

Hamilton: Consistant with corporate plans, serviced inventory is being reduced through sales. Services were completed in Gilbert where sales are expected in 1983/84. In Mohawk Gardens, stage II, above-ground services were installed in areas where house construction was completed.

Kitchener: Substantial site improvements were carried out in Glencairn subdivision to maintain current marketing and development success. This included resubdivision of a number of street town housing blocks into more marketable single and semi-detached lots.

Heritage Green: House construction is continuing in phase III, with 121 land units sold. In October, the town of Stoney Creek opened the first phase of the community recreational complex which included a library, community meeting rooms and auditorium. A 100-unit senior citizens' complex was officially opened in December 1982.

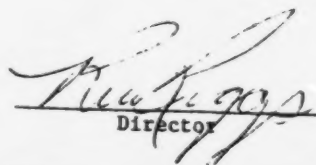
Ottawa Area — Nepean: The Nepean Borden farm plan with 500 low density units was registered and sold with approved engineering plans. Land sales included 15 hectares of block lands. In adjacent Kanata the balance of all low density lots were serviced and sold leaving only two multiple blocks in OLC ownership.

ONTARIO LAND CORPORATION

Balance Sheet
March 31, 1983

	<u>Notes</u>	<u>1983</u> (\$'000)	<u>1982</u> (\$'000)
ASSETS			
Real Estate			
Land Inventory	3	487,694	491,745
Land Leased to Homeowners	4	35,519	35,883
Properties	5	11,592	23,703
	6	<u>534,805</u>	<u>551,331</u>
Mortgages and Loans	7,11(b)	581,078	601,072
Cash and Short-term Investments	8,11(b)	55,254	63,316
Securities	9	8,793	8,793
Accounts Receivable		<u>953</u>	<u>2,575</u>
		<u>1,180,883</u>	<u>1,227,087</u>
Mortgage Guarantee Fund	15	<u>1,968</u>	<u>1,780</u>
LIABILITIES			
Long-term Debt			
Treasurer of Ontario	10	1,011,747	1,067,737
Canada Mortgage & Housing Corporation	11	107,557	111,959
Other	12	319	617
		<u>1,119,623</u>	<u>1,180,313</u>
Accounts Payable and Accrued Liabilities		<u>7,365</u>	<u>9,451</u>
		1,126,988	1,189,764
EQUITY			
Retained Earnings		<u>53,895</u>	<u>37,323</u>
		<u>1,180,883</u>	<u>1,227,087</u>
Mortgage Guarantee Fund	15	<u>1,968</u>	<u>1,780</u>

On Behalf of the Board:


Director


Director

ONTARIO LAND CORPORATION

Statement of Earnings
For the Year Ended March 31, 1983

	<u>Notes</u>	<u>1983</u> <u>(\$'000)</u>	<u>1982</u> <u>(\$'000)</u>
REVENUES			
Real Estate Marketing and Operations			
Sales of Land and Properties		33,847	52,770
Rental Income from Land Leased to Homeowners		2,969	3,080
Deferred Revenue Realized		<u>1,442</u>	<u>2,360</u>
		38,258	58,210
Interest on Mortgages and Loans		62,812	59,380
Bank and Other Interest		13,035	14,254
Administration Fees and Miscellaneous Income		<u>1,387</u>	<u>2,400</u>
		<u>115,492</u>	<u>134,244</u>
EXPENSES			
Cost of Land and Properties Sold		30,451	49,403
Interest	13	67,488	68,701
General and Administrative	14	<u>981</u>	<u>3,366</u>
		<u>98,920</u>	<u>121,470</u>
NET EARNINGS FOR THE YEAR		<u>16,572</u>	<u>12,774</u>

Statement of Retained Earnings
For the Year Ended March 31, 1983

	<u>1983</u> <u>(\$'000)</u>	<u>1982</u> <u>(\$'000)</u>
Retained Earnings, Beginning of Year	37,323	24,549
Net Earnings for the Year	<u>16,572</u>	<u>12,774</u>
Retained Earnings, End of Year	<u>53,895</u>	<u>37,323</u>

ONTARIO LAND CORPORATION

Notes to Financial Statements
March 31, 1983

1. General

Ontario Land Corporation (OLC) was incorporated in 1975 as a Crown Corporation without share capital under the Ontario Land Corporation Act.

By Order-in-Council effective April 1, 1982, all the assets, liabilities, and retained earnings of Ontario Mortgage Corporation (OMC) were transferred to OLC. In addition, all the outstanding capital stock of OMC was assigned to OLC.

The transfer was accounted for by the pooling of interests method. At March 31, 1982, the assets and liabilities of each corporation, net of inter-company accounts, were:

	OLC (\$'000)	OMC (\$'000)	Total (\$'000)
Assets	665,371	561,716	1,227,087
Liabilities	638,833	550,931	1,189,764
Retained Earnings	24,678	12,645	37,323
	663,511	563,576	1,227,087

OLC now manages approximately 27,000 hectares of land which were acquired for land banking and development purposes, and some 30,000 mortgages and 6,000 land leases issued under various housing programs. OLC is a partner with Canada Mortgage and Housing Corporation (CMHC) in certain land and mortgage programs, and earns administration fees for managing CMHC's interest in these programs. The Corporation is also a partner with various municipalities in certain mortgage programs.

2. Summary of Significant Accounting Policies

(a) Financial Statement Basis

The financial statements are prepared on the historical cost basis.

(b) Principles of Consolidation

The financial statements include the Corporation's proportionate ownership share of the individual assets, liabilities, revenues and expenses of partnerships.

2. Summary of Significant Accounting Policies (Cont'd)

(c) Land

Land inventory is recorded at cost, which includes acquisition cost, planning and development costs where applicable, and capitalized carrying costs. Revenue from rental of undeveloped land is applied to reduce the carrying costs.

Land leased to homeowners is recorded as above, except that capitalization of carrying costs ceased on the date the land was leased to the homeowner. Revenues received from these leases are recorded as earnings.

Land is valued at cost. The net realizable value is conditional upon the ultimate use which has yet to be determined.

(d) Capitalization of Carrying Costs

The Corporation capitalizes direct carrying costs such as interest and grants-in-lieu of taxes as part of the cost of land inventory.

Interest on wholly-owned lands is capitalized as follows:

- (i) Interest on the acquisition cost element is not capitalized.
- (ii) Interest on the development cost element is capitalized at the rate paid on long-term debt due to the Treasurer of Ontario.

Interest on partnership lands is capitalized on both the acquisition and development cost elements at the rate set by CMHC, the Corporation's partner in the ventures.

(e) Properties

Properties consist of properties acquired upon default of mortgage loans. These are carried at the unpaid loan balance plus interest accrued to date of acquisition together with acquisition costs, improvement costs, and operating costs net of rent received, less an allowance for losses. Capital losses resulting from sales prices below acquisition cost are charged against the allowance. No depreciation is charged on these properties.

Prior to the merger, OMC expensed improvement and net operating costs as incurred. The change in policy with respect to the former OMC assets has had no material effect on the net earnings of the Corporation.

2. Summary of Significant Accounting Policies (Cont'd)

(f) Mortgages and Loans

Mortgages and loans are carried at the amount due including interest, property taxes, and other charges, less an allowance for mortgage losses.

(g) Securities

Securities are stated at cost plus accrued interest.

(h) Income Recognition

(i) Income from sale of property is recognized when title passes to the purchaser.

(ii) In previous years the Corporation sold individual lots and took back non-interest bearing deferred mortgages as part of the sales proceeds. A portion of the gain on each sale, equal to the amount of such mortgage, was deferred. These deferred gains are taken into income at the point where mortgage repayment commences.

3. Land Inventory

Land is classified as follows:

	1983		1982
	--(Corporation's Proportionate Share)--		
	Hectares	\$'000	\$'000
Land under development	169	31,393	32,756
Land held for development or sale	25,845	456,301	458,989
	<u>26,014</u>	<u>487,694</u>	<u>491,745</u>

4. Land Leased to Homeowners

Land leased to homeowners represents the Corporation's interest in 6,119 lots on which homes have been built (1982 - 6,192). A lessee may, at his option, purchase and acquire title to the land.

5. Properties

Properties consist of 351 properties acquired on default of mortgage loans (1982 - 682).

6. Real Estate

Real estate transactions during the year were:

	Land Inventory	Land Leased to Homeowners	Properties	Total
	-----(\$'000)-----			
Balance, March 31, 1982	491,745	35,883	23,703	551,331
Acquisitions	3,447	-	2,708	6,155
Development costs	7,772	-	-	7,772
Capitalized interest	3,585	-	-	3,585
Capitalized net operating costs	(474)	-	2,783	2,309
Recoveries	(5,896)	-	-	(5,896)
Cost of sales	<u>(12,485)</u>	<u>(364)</u>	<u>(17,602)</u>	<u>(30,451)</u>
Balance, March 31, 1983	<u>487,694</u>	<u>35,519</u>	<u>11,592</u>	<u>534,805</u>

7. Mortgages and Loans

Details of mortgages and loans receivable are as follows:

	1983 (\$'000)	1982 (\$'000)
Residential mortgages and agreements for sale		
Insured under the National Housing Act	68,913	75,770
Uninsured (net of 1.5% allowance)	<u>489,426</u>	<u>507,328</u>
Total residential (average interest rate 10.04%, 1982 - 10.31%)	558,339	583,098
Deferred non-interest bearing mortgages	28,395	29,959
Builders mortgages	13,097	11,453
Municipalities and other	9,191	5,855
Ontario Development Corporation	<u>451</u>	<u>666</u>
	609,473	631,031
Less: Deferred gains re: deferred non- interest bearing mortgages	<u>28,395</u>	<u>29,959</u>
	<u>581,078</u>	<u>601,072</u>

8. Cash and Short-term Investments

Included in this category are short-term investments in bank and government securities amounting to \$31,965,000 (1982 - Nil).

9. Securities

The market value of the securities is \$7,218,000 (1982 - \$5,468,000).

10. Long-term Debt - Treasurer of Ontario

The Treasurer of Ontario has provided financing for the acquisition and development of land and for the financing of mortgages and loans. This financing is repayable as funds are recovered from the realization of the related assets.

Details of this financing are as follows:

	Average Interest Rate (%)	1983 (\$'000)	1982 (\$'000)
Interest bearing	9.21	613,062	665,680
Non-interest bearing		393,961	397,293
Non-interest bearing to March 31, 1985		4,724	4,764
		<u>1,011,747</u>	<u>1,067,737</u>

11. Long-term Debt - CMHC

(a) Debt due to CMHC is repayable under two debentures due December 31, 2001 as follows:

	Interest Rate (%)	Blended Quarterly Instalment (\$'000)	Balance 1983 (\$'000)	Balance 1982 (\$'000)
NHA Section 40	7.10	865	36,087	39,231
NHA Section 42	9.84	<u>2,071</u>	<u>71,470</u>	<u>72,728</u>
		<u>2,936</u>	<u>107,557</u>	<u>111,959</u>

Principal repayments of the above are due as follows:

	(\$'000)
Year Ending March 31, 1984	2,329
1985	2,536
1986	2,763
1987	3,011
1988	3,281
Subsequent to 1988	<u>93,637</u>
	<u>107,557</u>

11. Long-term Debt - CMHC (Cont'd)

(b) As part of the repayment plan for the CMHC debentures, a debt retirement fund was established in December 1981. As at balance sheet date, the fund consists of \$32,667,000 in cash and short-term investments (1982 - \$33,082,000) and \$60,203,000 in residential mortgages (1982 - \$61,101,000). These items are not segregated in the balance sheet, but are included under the appropriate classification.

12. Long-term Debt - Other

This debt of \$319,000 is repayable on January 1, 1984 and bears interest at 6 7/8%.

13. Interest

Interest incurred, capitalized, and expensed during the year was:

	1983 (\$'000)	1982 (\$'000)
Treasurer of Ontario	61,128	62,152
CMHC	9,904	9,971
Other	41	86
	<u>71,073</u>	<u>72,209</u>
Capitalized to land inventory	<u>(3,585)</u>	<u>(3,508)</u>
	<u>67,488</u>	<u>68,701</u>

14. General and Administrative

Salaries, benefits, and administration expenses are absorbed by the Ministry of Municipal Affairs and Housing. Ontario Mortgage Corporation carried its own expenses in the year ended March 31, 1982.

A breakdown of general and administrative expense is as follows:

	1983 (\$'000)	1982 (\$'000)
OMC salaries, benefits and administration	-	3,106
Provision for losses on mortgages	925	230
Other	<u>56</u>	<u>30</u>
	<u>981</u>	<u>3,366</u>

15. Mortgage Guarantee Fund

The Corporation maintains a Mortgage Guarantee Fund to satisfy any liability arising out of guarantees given for mortgages provided by private sector lenders.

The Corporation's maximum liability is the amount of the Fund, which was created by a fee charged to borrowers. The Province of Ontario is responsible for any claims in excess of the Fund.

Details of the Fund are:

	1983 (\$'000)	1982 (\$'000)
(1) Fund Continuity from Inception		
Fee revenue	828	828
Interest income	1,135	947
	1,963	1,775
Net gain on guarantee operations	5	5
	1,968	1,780
(11) Fund Assets		
Cash	255	57
Securities (note 2(g))(market value \$593,000; 1982 - \$446,000)	807	807
Mortgages receivable	847	907
Due from Ontario Land Corporation	59	9
	1,968	1,780

16. Administered Programs

In its capacity as an agent of the Province, the Corporation administers both the Ontario Rental Construction Loan Program (ORCL) and the Ontario Renter-Buy Program (ORB). Both programs consist of the advancing of funds and the taking back of non-interest bearing mortgages subject to specified conditions.

Advances under these programs are recorded by the Province as transfer payments and memorandum accounts receivable in the public accounts. The Corporation does not include these amounts in the balance sheet. All recoveries will be deposited into the Consolidated Revenue Fund of the Province.

As at March 31, 1983, \$61 million has been advanced under the ORCL program (1982 - \$21 million) and \$62 million has been advanced under the ORB program (1982 - Nil).

17. Ombudsman's Report - North Pickering Land Assembly

Under the terms of the Ombudsman's Report of December 1982, the Corporation has agreed to settle with certain claimants with respect to land purchases for the North Pickering Land Assembly prior to February 4, 1974.

The cost of this settlement, approximately \$2.7 million including interest, is being treated as a land acquisition cost, and has been funded by a non-interest bearing loan from the Treasurer.

18. Contingent Liabilities

Certain persons, whose land was expropriated by the Corporation, may apply to the Land Compensation Board of Ontario for reassessment of the compensation paid upon expropriation. Additional compensation that may be awarded is to be determined by arbitration and negotiation, and is estimated at a maximum of \$3.9 million.

During the year the Corporation paid settlements of \$0.4 million. This amount has been treated as a land acquisition cost, as will any future payments under this category.

19. Comparative Figures

Comparative figures have been reclassified to conform with the March 31, 1983 presentation.



Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416/965-1381

To the Board of Directors of the Ontario Land Corporation and to the Minister of Municipal Affairs and Housing:

I have examined the balance sheet of the Ontario Land Corporation as at March 31, 1983 and the statements of earnings and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1983 and the results of its operations for the year then ended in accordance with the accounting policies described in note 2 to the financial statements, applied on a basis consistent with that of the preceding year.

In accordance with section 29 of the Ontario Land Corporation Act, a report on the audit has been made to the Corporation and to the Minister.

A handwritten signature in cursive script that reads "J.F. Otterman".

J.F. Otterman, C.A.
Assistant Provincial Auditor

Toronto, Ontario
August 8, 1983

CORPORATE RESOURCES MANAGEMENT

In June, 1982, the newly formed *Corporate Resources Management* group took on the task of streamlining the central services area of the ministry. To facilitate this, it assumed responsibility for the former finance and administration division, legal services branch and part of the policy and program development secretariat.

The management planning and evaluation branch, which had previously been in the policy and program development secretariat, was reorganized with three components: corporate policy; resource allocation and cabinet liaison; and planning and statistical analyses sections. To reflect its new responsibilities, it was renamed the corporate planning and evaluation branch.

The former management systems and supply and services branches were combined to become the management services branch.

Early in 1983 the building code branch, formerly with the Ministry of Consumer and Commercial Relations, was transferred to corporate resources management to help streamline the government's services to the building industry and consumers. The branch will be involved in an overall effort to simplify the regulatory process as it affects building construction and renovation in the province.

Corporate Resources Management includes:

- Corporate planning and evaluation
- Financial services
- Human resources
- Management services
- Legal services
- The building code
- Office of the corporate secretary

CORPORATE PLANNING AND EVALUATION.

- manages resource allocation process
- assists in establishment of program priorities
- plans, co-ordinates and processes cabinet and cabinet committee communications
- develops and implements integrated management processes
- conducts surveys and collects statistical information
- provides corporate policy advice
- ensures effective co-ordination and development of responses to pertinent issues.

Resource allocation and cabinet liaison. This section manages the ministry's financial resource allocation and estimates processes and ensures effective liaison and communication with cabinet and cabinet committees. This involves developing resource allocation strategies based on ministry policy and program priorities, co-ordinating the annual estimates process and responding in an appropriate manner to in-year decisions requiring adjustment of budget allocations.

This section also co-ordinates the planning, scheduling and processing of ministry submissions to cabinet and cabinet committees. It provides advice and assistance to senior management regarding submission content, distributes policy submissions initiated by other ministries and communicates cabinet decisions and directives to affected program managers.

Management planning and statistical analysis. This section ensures that a comprehensive management planning and evaluation process is in place so that financial and human resources can be allocated and utilized in the most efficient and effective manner. Specifically, it co-ordinates the strategic planning process, advises and assists program managers in the design and development of management control processes and prepares

all the information related to managing-by-results for the ministry's annual estimates submission. This year it initiated the development of an integrated management process which will streamline management processes.

The section also provides statistical and survey expertise and assembles information on program performance and other relevant statistics for senior management. In addition it is the contact point between the ministry and the management standards project at management board.

During the year, major projects included:

- a rental housing market survey conducted in seven cities to determine rent levels, rent changes and rent-to-income ratios;
- a housing ownership survey to determine gross debt service ratios of homeowners;
- a survey of participants in the Ontario youth employment program (employers and employees) to determine the effectiveness of the program and its job-creation impact.

Corporate policy. This group deals with policy issues that either affect several areas of the ministry or are not the specific responsibility of other branches.

In the past year, projects included preparation of background material on rental and ownership housing, demographic analysis and reports on housing market outlook.

The section also acts on a consulting basis in response to requests from other areas of the ministry. Two such examples in the year under review were the evaluation of federal proposals for the indexing of mortgages, and assistance in developing the career development options program.

Other activities include briefing the minister and deputy minister for cabinet committee, and co-ordinating the ministry's regulatory reform activities and the housing energy management program (HEMP).

FINANCIAL SERVICES.

- co-ordinates and control financial management for the ministry, its two crown corporations and 61 local housing authorities
- ensures adequate systems and policies for budgeting, accounting and financial reporting
- in controllership role
 - provides financial policy direction to the ministry
- establishes procedures for management of crown agency and ministry cash flows and banking arrangements.

The branch successfully completed a major deregulation of Ontario Land Corporation and Canada Mortgage and Housing Corporation (CMHC) contractual arrangements. Revisions to Ontario Housing Corporation programs were initiated taking into account partnership and debenture financing arrangements with CMHC. The purpose was to institute daily reimbursement of federal funds which will have the effect of freeing approximately \$20 million of provincial capital previously required to finance federal contributions.

In addition, agreement was reached between OHC and CMHC to consolidate approximately 1,300 debt instruments into approximately 20 groups based on year of original construction. The deregulation will considerably reduce the volume of reporting and reconciliation which currently takes place between the two corporations. All details have been finalized and implementation will take place commencing Jan. 1, 1984.

Considerable progress was made in the decentralization of the budgetary process of Ontario Housing Corporation to the housing authority level. A pilot project involving the Metro Toronto Housing Authority which was initiated in 1982 resulted in the 1983 budget being successfully completed on a decentralized basis.

Co-operation between Ontario and British Columbia resulted in

recommendations to CMHC for alternate methods of reviewing administrative overhead expenses. This will ultimately result in the removal of the 6% and 3% overhead limitation guidelines imposed by the federal government.

Planning, budgeting and disbursement processing procedures along with financial reporting were extended during the fiscal period to include the municipal affairs wing, using existing manpower resources.

HUMAN RESOURCES.

Personnel services. This section assisted management in the day-to-day administration of recruitment, job evaluation, classification and employee relations functions. This included completing the personnel administration aspects of a major ministry reorganization with minimum disruption to programs and staff responsible for their delivery. The section has also been successful in assisting staff who have been declared surplus to find alternate employment.

Manpower planning and staff development. This section has taken on a number of new initiatives in addition to existing management development programs. The section has worked closely with many ministry branches and the Metro Toronto Housing Authority to develop specific training programs. These include long-range plans to meet identified branch training needs and involve employees in the co-ordination of these programs.

The section has developed, with the personnel services section, the human resources management skills program. This program encourages managers to acquire skills and knowledge in selection and interviewing, managing employees with work performance problems, handling grievances, applying the job analysis and classification process and understanding working conditions in the Ontario public service.

It is also managing a pilot project which provides ministry civil servants

with career development opportunities. Through the career development options program, the ministry may assist employees' occupational development as well as generate internal mobility.

Staff relations. As a result of Ontario's inflation restraint program, it has been necessary to amend current collective agreements with the Canadian Union of Public Employees (CUPE) and the Ontario Public Service Employees' Union (OPSEU) to reflect a maximum of five per cent for wage and benefits increases in calendar year 1983.

The section undertook the tendering of the long-term disability benefit applicable to crown employees in the local housing authorities. Prudential Insurance Company of America was retained as the carrier, with revised underwriting provisions.

Payroll and records. This section produced bi-weekly paycheques for ministry staff. In addition to maintaining pay and benefits data on all employees, it produced a variety of management information reports including staff attendance, turnover and vacancies.

The section continued to administer the payroll system used by the 61 local housing authorities and provided staff with payroll instructions and training.

MANAGEMENT SERVICES.

- provides administrative services to the ministry and its crown corporations in computer and information systems support
- procures goods and services
- provides accommodation and office services and maintains the ministry's central library.

Several initiatives were undertaken by the branch in an effort to re-examine its procedures and streamline operations to more closely meet the requirements and desires of the operating areas of the ministry. Priority was given to decentralizing computer facilities and functions to users throughout the ministry.

Almost all data entry previously carried out centrally has been distributed to the client area. Staff in this area have been retrained and now provide a technical support service.

New computer system developments will use state-of-the-art database management technology which will allow end users with minimal computer skills to interact directly with their system.

An information centre service was introduced. Made up of a small group of professional staff, it provides training and support for ministry staff who want to undertake data processing independently. Clients are using software packages for data retrieval, financial modelling, statistical analysis and administration. Additional product support for computer graphics and micro computers will be offered in the near future.

A ministry-wide review of information systems requirements was undertaken by the firm of Price Waterhouse Associates. The review will result in a long-term plan for the ministry's information systems.

A number of feasibility studies on office technology have identified further opportunities for the use of text editing equipment. Consequently, several additional word processing systems have been installed in the ministry.

The word processing centres continued to support an increasing number of program delivery areas.

Forms analysis, file system design and manuals continued to support the ministry's administrative and operating functions.

During the 1982/83 fiscal year, the library continued to support the government's freedom of information initiative and other reference services to the public. This service has been augmented by the installation of a computer terminal for accessing commercially available data bases.

The acquisition of accommodation and related services for the housing authorities continued, as did such support for head office needs. The procurement of goods and services and the timely payment of

vendors' invoices were maintained at a high standard.

LEGAL SERVICES.

- provides legal services to the ministry and its crown corporations in such areas as municipal affairs, community planning, land development, conveyancing and mortgages, corporate and commercial law, landlord and tenant matters, and contracts.

This branch includes lawyers and support staff seconded from the Ministry of the Attorney General.

During the year, general counsel and solicitors for each of the ministry's program areas were relocated closer to their clients.

BUILDING CODE BRANCH.

- provides professional and technical advice on the Building Code Act and the Building Code;
- provides professional and technical advice on parts of the Water Resources Act and plumbing regulations made under the act;
- reviews regularly building and plumbing regulations to keep them current with technological advances through consultation with client groups;
- prepares a newsletter containing opinions, views and information about the code and related matters;
- advises on code compliance in territory without municipal organization and inspects construction on a selective basis;
- provides secretarial services and professional advice to the Building Code and Building Materials Evaluation commissions.

The building code branch was transferred to the Ministry of Municipal Affairs and Housing from the Ministry of Consumer and Commercial Relations February 1, 1983.

The branch regulates the construction of new buildings and substantial alterations to existing buildings. These regulations are enforced at the municipal level. The Building Code Act requires municipal-

ities to appoint chief building officials to carry out enforcement and to issue permits for construction or demolition of buildings.

Over the past year, the branch has been involved in a number of projects which will be concluded in the coming year. These include amendments to the Building Code Act and the Building Code, the development of a Plumbing Code and research into matters relating to air quality, energy conservation, hazardous building products, accessibility for the handicapped and fire safety in highrise buildings.

The Building Code Commission, with 13 members, conducts hearings and renders decisions on disputes between a building permit holder and a building official as to the intent of the technical requirements of the code and/or the sufficiency of compliance to those requirements.

In the past year, 131 applications for hearings were made. Of these, 95 were resolved informally and 19 formal hearings were held.

The Building Materials Evaluation Commission, with 18 members, examines and conducts research into the use of innovative building materials, techniques or building designs which are not covered in the Ontario Building Code. The commission may authorize the use of these materials and designs in respect of any specified building.

In the past year, 21 applications were received and completed.

OFFICE OF THE CORPORATE SECRETARY.

- provides staff and administrative support to ministry committees and the boards of directors of Ontario Housing Corporation and Ontario Land Corporation
- is involved in the public tendering process.

This office is responsible for arrangements for the functions associated with board and committee meetings. This includes agenda preparation and recording of minutes.

The introduction of electronic typewriters has accelerated the turn-

CORPORATE RESOURCES MANAGEMENT

around time for minutes and this increased efficiency has been a contributing factor in the reduction of overall complement from nine to seven people. It has also prompted considerable flexibility within the branch to better accommodate the needs of client groups. 256 meetings were handled during the year.

A total of 149 tenders during the year resulted in 631 bids. Securities of negotiable nature, held in custody at March 31, 1983, had a total value of \$1,994,126.

AFFIRMATIVE ACTION PROGRAM

The Affirmative Action Program corporate and long-term goal is to achieve equal opportunity for women crown employees. The objective is a 30% minimum representation by the year 2000. The program staff assist in achieving the objective by identifying career paths and potentially qualified female candidates for competitions.

As of March, 1983, the 613 female employees represented 53.3% of the ministry, an increase of less than a half percentage point over a year ago.

Although the female percentage distribution increased slightly in a number of areas during fiscal year 81/82, there was an overall decrease of 12.9%. The administrative module increased 3.5% to 33.2%; clerical 8.3% to 100%; administrative services 1.6% to 36.6%; clerical services .5% to 79.5%; office services .1% to 96.4%; scientific and professional services 5.8% to 35.7% and technical services 1.3% to 28.6%. There were decreases in the professional module of .7% to 21.0% and general operational services of 33.3% to 0.

Accelerated career development initiatives totalled 88, or 14.4% of ministry women. Females were selected for 32 on-the-job training positions, 12 job rotations, 26 secondments, one full-time sponsorship of special development and 17 acting placements.

Through the incentive fund, one employee was selected for a 9½ month secondment which will lead to employment in systems services. Seven out of 17 hire/promotion targets were achieved. Competitions were not held in eight of the target areas and females were not the most qualified candidates in the remainder.

Average ministry salaries for males and females increased 1% over the last year. In March, 1983, the average male salary was \$33,981 up from \$33,506 the previous year; the average female salary was \$22,512 up from \$21,903.

Ninety women's advisory committee members from the ministry and larger housing authorities met in

Toronto twice last year. They act as liaison between the program office and women in the workplace. In addition to the general meeting, a central meeting was planned, organized and run by the central core committee, a volunteer group of committee representatives. The publications committee, also a

volunteer group, published three newsletters last year. Subsidies branch affirmative action committee held several noon-hour sessions on subjects such as sexual harassment and stress management. A two-day regional meeting for all staff was held in Windsor.

Policy and procedures concerning personal harassment were finalized and approved by senior management. The deputy minister sent copies of the new policy to all employees.

Affirmative Action Program manager and staff met with branch directors and senior management to discuss results of the 81/82 MBR, and the plan, issues and concerns for 82/83.

During 82/83 the ministry met its 30% objectives in 11 classifications, primarily in middle management: general administration (AM-17) — 38.46%; personnel administration (AM-19) — 50%; personnel administration (AM-20) — 100%; systems services (AM-19) — 33.33%; resources planning and management — 50%; finance officer 3 — 33.33%; real estate officer 2 — 50%; clerk 2 mail — 37.50%; data processing technician 4 — 100%; economist 1 — 100%; and designer 2 — 50%. At year end, two positions in underrepresented areas (personnel 17 and general administration 17) are being filled on an acting basis.

Affirmative action staff gave career and personal counselling to some 33 women and provided another 44 employment contacts in this and other Ontario government ministries.

Program staff give on-going support to regional offices and managers to ensure the needs of all its client groups are met and equal opportunity is encouraged in the workplace.

During the past year, ministry staff continued to increase services in French. In almost every case of program development and communication strategy, the provision of service in French has been an integral part of the planning process from the beginning.

FRENCH LANGUAGE SERVICES

A steadily growing number of municipalities participated in the ministry's program of financial aid from municipal French-language services.

A significant achievement has been the adoption of an amendment to the Municipal Act which now permits municipalities to conduct their proceedings, pass by-laws and resolutions, and adopt official plans in both English and French. The amendment received royal assent Nov. 18, 1982.

All advertisements and news releases involving Ontario's designated areas were routinely sent out in French. Information kits, brochures, and background material and all major programs and legislation were also made available in both languages.

POOR

QUALITY

ORIGINAL